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Bihar Electricity Regulatory Commission
Vidyut Bhawan, J.L. Nehru Marg, Patna

NOTIFICATION

The 11th September, 2015

No. BERC-Suo Motu Proceeding No. 30/2014/06-In exercise of powers conferred by sub section (1) of section 181 and clauses (zd), (ze) and (zf) of sub section (2) of section 181, read with sections 61, 62, and 86, of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, the Bihar Electricity Regulatory Commission hereby makes the following Regulations.

PART-I

PRELIMINARY

1. Short Title and Commencement

- 1.1 These regulations shall be called the Bihar Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2015.
- 1.2 These Regulations shall come into force from the date of their notification in the Official Gazette.

2. Scope and Extent of Application

- 2.1 These Regulations shall apply to all the Distribution Licensees in the State of Bihar.
- 2.2 These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from 1st April 2016 and onwards up to FY 2021 [i.e., till 31st March 2021] or till these Regulations are amended..
- 2.3 These Regulations shall be applicable where the cost based/Aggregate Revenue Requirement (ARR) based tariff is determined by the Commission.

2.4 These Regulations shall extend to the whole of the State of Bihar.

3. Definitions

3.1 In these regulations, unless the context otherwise requires, -

- (1) “**Act**” means the Electricity Act, 2003 (36 of 2003);
- (2) “**Aggregate Revenue Requirement**” or “**ARR**” means the costs pertaining to the licensed business which are permitted, in accordance with these Regulations, to be recovered from the tariffs and charges determined by the Commission;
- (3) “**Base Year**” means the financial year immediately preceding first year of the control period and used for the purposes of these Regulations;
- (4) “**Commission**” means the Bihar Electricity Regulatory Commission;
- (5) “**Conduct of Business Regulations**” means the Bihar Electricity Regulatory Commission (Conduct of Business) Regulations, 2005, and its amendments from time to time.
- (6) “**Control Period**” means a multi-year period normally comprising of five financial years or as may be determined by the Commission, for submission of forecast in accordance with these Regulations;
- (7) “**Expenditure**” Reasonable and required expenditure actually incurred on the following:
 - (a) purchase of energy;
 - (b) salaries and wages of staff, welfare expenses excluding management remuneration covered below;
 - (c) Directors remuneration, fees, expenses including facilities;
 - (d) salaries and wages of corporate office / registered office;
 - (e) financing cost excluding penal interest / charges;
 - (f) interest charges on loan(s) borrowed for capitalized assets;
 - (g) interest on temporary accommodation to the extent of approved unrealized arrears from the consumers
 - (h) interest on working capital
 - (i) Return on equity;

- (j) Income Tax
 - (k) financing charges applicable to operational account;
 - (l) interest on cash security deposits from consumers;
 - (m) interest on advance against sales from consumers, if any;
 - (n) Impact of variation in foreign exchange rate in case of foreign currency loan taken with due approval and is not capitalised;
 - (o) Depreciation
 - (p) Rents, rates and taxes, other than all taxes relating to income / profits;
 - (q) Legal charges;
 - (r) Auditor's expenses, Auditor's fees; auditor's expenses; Payment to Auditors in any other capacity or for any work which is necessary to be got done from them in connection with audit;
 - (s) Consultancy charges for work which cannot be done in house or is uneconomical in doing in-house or is essential to be done from outside sources;
 - (t) Bad debts actually written off subject to Commission's clearance;
 - (u) Other expenses necessary which are ancillary or incidental to the business of electricity except penalty etc levied under the Act or any other law in force;
- (8) **"Financial Year"** means a period commencing on 1st April of a calendar year and ending on 31st March of the subsequent calendar year;
- (9) **"Income"** shall include all income from any sources but shall not be limited to the following:
- (a) sale of energy or gross receipts from sale of energy less discounts / rebates given based on the orders of the Commission;
 - (b) Rental of meters, plant, equipment and other apparatus hired to the consumers;
 - (c) Income from services to consumers by way of repair or any sale or other service other than capital receipts;
 - (d) Interest on investments, bank balances including fixed and call deposits and any other income in the form of interest;
 - (e) Profit on sale of assets;
 - (f) Wheeling of energy;
 - (g) Non tariff income;
 - (h) Income from other business;
 - (i) Transmission of energy;
 - (j) Cross subsidy surcharge u/s 42(2) of the Act;
 - (k) Additional surcharge u/s 42(4) of the Act;
 - (l) Any receipt or refund from other sources against any expense or likely expense which has been earlier allowed as expense in the tariff;
 - (m) All other general receipts arising from and ancillary or incidental to the business of electricity supply;
 - (n) Other general receipts in terms of Act / Regulations including use of assets for other business whether actually recovered or not;
- (10) **"Licence"** means a licence granted under clause (b) of section 14 of the Act;
- (11) **"Licensed Business"** means the functions and activities, which the licensee is required to undertake in terms of the licence granted by the

Commission or being a deemed licensee as referred under sections 14 and 172 of the Act;

- (12) “**Licensee**” means a person who has been granted a licence and shall include a deemed licensee;
- (13) “**Non-Tariff Income**” means income relating to the licensed business other than from tariff (wheeling and retail supply), and excluding any income from other business, cross-subsidy surcharge and additional surcharge;
- (14) “**Other Business**” means any other business of the distribution licensee for optimum utilisation of its assets within the meaning of Section 51 of the Act;
- (15) “**Retail Supply Business**” means the business of sale of electricity by a distribution licensee to the consumers within the area of supply in accordance with the terms of the licence for distribution and retail supply of electricity;
- (16) “**Wheeling**” means the operation whereby the distribution system and associated facilities of a distribution licensee are used by another person for the conveyance of electricity on payment of charges to be determined under section 62 of the Act, and in the event where use of the distribution system and associated facilities is by a consumer, on payment of a surcharge in addition to the charges for wheeling as may be determined by the Commission under the first proviso to sub-section (2) of Section 42 of the Act, an additional surcharge on the charges of wheeling, as may be specified by the Commission, if applicable, to meet the fixed cost of such distribution licensee arising out of his obligation to supply, under Sub-section (4) of Section 42 and wheeling charges under clause (c) of sub-section (1) of Section 62;
- (17) “**Wheeling Business**” means the business of operating and maintaining a distribution system for conveyance of electricity in the area of supply of the distribution licensee.

3.2 The words and expressions used and not defined in these Regulations, but defined in the Act, shall have the meanings respectively assigned to them in the Act.

3.3 The words “Application” or “Petition” shall be interpreted synonymously.

PART-II
GENERAL PRINCIPLES

4. Multi Year Tariff Framework

- 4.1 The Commission shall determine the tariff for distribution business under a Multi-Year Tariff framework with effect from April 1st of each financial year subject to provisions under regulations 8,12,13 and 14 of these Regulations..
- 4.2 The Multi-Year Tariff framework shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Distribution Business:
- i. Control Period, before commencement of which a forecast of the Aggregate Revenue Requirement and expected revenue from existing tariff and charges shall be submitted by the applicant and approved by the Commission;
 - ii. A detailed Business Plan based on the Operational Norms and trajectories of performance parameters specified in the MYT Regulations, for each year of the Control Period, shall be submitted by the applicant for the Commission's approval, subject to provisions under regulations 8,12,13,and 14 of these Regulations;
 - iii. Based on the Business Plan, the applicant shall submit a petition with the forecast of Aggregate Revenue Requirement and expected revenue from existing tariff for each year of the Control Period, and the Commission shall approve the tariff for each year of the Control Period;
 - iv. The mechanism for pass-through of approved gains or losses on account of uncontrollable factors as specified by the Commission in these Regulations;
 - v. The mechanism for sharing of approved gains or losses arising out of controllable factors as specified by the Commission in these Regulations;

5. Business Plan

- 5.1 The Distribution Licensee shall file a Business Plan, for the Control Period which shall comprise but not be limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets.

Provided that in case the Commission issues guidelines and formats, from time to time, the same shall be adhered to by the Distribution Licensee.

- 5.2(a) The capital investment plan shall show separately, on-going projects that will spill into the year(s) under review and new projects (along with justification) that will commence but may be completed within or beyond the tariff period. The Commission shall consider and approve the capital investment plan for which the Distribution Licensee shall provide relevant technical and commercial details.

Provided that for schemes involving capital expenditure greater than INR 5 Crore, the Distribution Licensee shall seek prior approval of the Commission.

- (b) The Distribution Licensee shall submit detailed supporting documents while seeking approval from the Commission.

Provided that supporting documents shall include but not be limited to purpose of investment, capital structure, capitalization schedule, financing plan and cost-benefit analysis:

- (c) The approval of the capital expenditure by the Commission for the ensuing year shall be in accordance with load growth, system extension, rural electrification, distribution loss reduction or quality improvement as proposed in the Distribution Licensee's supporting documents.
- (d) The Commission may also undertake a detailed review of the actual works compared with the works approved in the previous Tariff Order while approving the capital expenditure for the ensuing year.
- (e) In case the capital expenditure is required for emergency work, the licensee shall submit an application, containing all relevant information along with reasons justifying the emergent nature of the proposed work, seeking post facto approval by the Commission.
- (f) The Distribution Licensee shall take up the work prior to receiving the approval from the Commission provided that the emergent nature of the scheme has been certified by its Board of Directors.
- (g) If the scheme involves capital expenditure of less than INR 5 Crore, and included in the capital investment plan referred in regulation 5.2, the Distribution Licensee shall undertake the execution of the scheme with simultaneous notification to the Commission with all of the relevant supporting documents.

(h) Consumer's contribution towards cost of capital asset shall be treated as capital receipt and credited in current liabilities until transferred to a separate account on Commissioning of the assets.

(i) An amount equivalent to the depreciation charge on such assets for the year shall be appropriated from this account as income to the profit and loss account over the useful life of the asset.

5.3 The Distribution Licensees shall project the power purchase requirement after considering effect of target set for Energy Efficiency (EE) and Demand Side Management (DSM) schemes.

6. Forecast

6.1 The applicant, based on the Business Plan, shall submit the forecast of Aggregate Revenue Requirement and expected revenue from tariff, for the Control Period by a Petition in accordance with BERC (Conduct of Business) Regulations, 2005 and its amendments from time to time, by 15th November of the year prior to the commencement of the Control Period and accompanied by such fee payable, as specified in the BERC (Fees, Fines and Charges) Regulations, 2005 as amended from time to time.

6.2 The forecast of Aggregate Revenue Requirement shall be developed using the assumptions relating to the behaviour of individual variables that comprise the Aggregate Revenue Requirement during the Control Period.

6.3 The forecast of expected revenue from tariff and charges shall be developed based on the following:

(a) Estimates of quantum of electricity to be supplied to consumers and wheeled on behalf of Distribution System Users for each financial year within the Control Period; and

(b) Prevailing tariff as on the date of making the application.

7. Specific trajectory for certain variables

7.1 The Commission shall stipulate a trajectory while approving the Business Plan, for certain variables having regard to the reorganization, restructuring and development of the electricity industry in the State:

Provided that the variables for which a trajectory may be stipulated shall include, but are not limited to, Operation & Maintenance expense norms, supply availability, wires availability and distribution losses.

- 7.2 In case the Commission has approved the business plan by 31st October of current year, the trajectory stipulated by the Commission in the order approving the Business Plan submitted by the applicant, shall be incorporated by the applicant, in its forecast of Aggregate Revenue Requirement and/or expected revenue from tariff and charges under regulation 6.3 of these Regulations.

8. Annual Review of Performance and True-up

- 8.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Distribution Licensee are covered under a Multi-Year Tariff framework, such Distribution Licensee shall be subject to an annual review of performance and True-up during the Control Period in accordance with these Regulations.

Provided that in case of excruciating and extra-ordinary circumstances, at any time notwithstanding the Annual Review, the Distribution Licensee may file appropriate application before the Commission.

9. Controllable and uncontrollable factors

- 9.1 The “uncontrollable factors” shall comprise the following factors which are beyond the control of, and could not be mitigated by the applicant:
- (a) Force Majeure events, such as acts of war, fire and natural calamities.
 - (b) Change in law;
 - (c) Taxes and Duties;
 - (d) Variation in sales; if the Distribution Licensee has adequate power availability.
 - (e) Supply availability beyond the control of Distribution Licensee, subject to prudence check and finding of the Commission during True-up exercise.
 - (f) Variation in the cost of power generation and/or power purchase due to the circumstances specified in regulations 19 (d) and 20 of these Regulations.
- 9.2 Some illustrative variations or expected variations in the performance of the applicant, which may be attributed by the Commission to controllable factors include, but are not limited to the following:
- (a) Variations in capital expenditure on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;

- (b) Variations in distribution losses which shall be measured as the difference between the units input into the distribution system and the units billed for the same year.
- (c) Variations in Return on Equity (RoE), depreciation and working capital requirements; However, if the Commission is satisfied that the variation in the working capital requirement is attributable to any uncontrollable factors, the same may be considered as uncontrollable factor.
- (d) Failure to meet the standards specified in the Standards of Performance Regulations, except where exempted;
- (e) Variation in operation & maintenance expenses, except those attributable to directions of the Commission or to change in Government policy/law
- (f) Variation in Wires Availability and Supply Availability, within the control of Distribution Licensee.

10. Mechanism for pass-through of gains or losses on account of uncontrollable factors

- 10.1 The approved aggregate gain or loss to the Distribution Licensee on account of uncontrollable factors shall be a passed through, as an adjustment in the tariff of the Distribution Licensee, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations.

11. Mechanism for sharing of gains or losses on account of controllable factors

- 11.1 The approved aggregate gain or loss to the Distribution Licensee on account of controllable factors including distribution losses shall be on account of the Distribution Licensee.

PART-III

PROCEDURE

12. Procedures relating to making of an application for determination of Tariff

- 12.1 An application for approval of the Business Plan shall be made by 15th September of the year prior to the commencement of the Control Period, in accordance with the BERC (Conduct of Business) Regulations, 2005 and its amendments from time to time, and accompanied by such fee payable, as specified in the BERC (Fees, Fines and Charges) Regulations, 2005" as amended from time to time.

Provided that where no separate fee has been specified for filing of a Business Plan, the applicant shall pay fees as may be determined by the Commission.

- 12.2 An application for determination of tariff shall be made by 15th November every year, *for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year and determination of ARR and tariff for retail sale of electricity for the ensuing years of the control period. The application should contain the data relating to each item of the ARR supported with the information/data in the formats 1 to 36 appended to these Regulations, revenue income on existing tariff, revenue income on proposed tariff, tariff design, structure and rates for retail sale of electricity, etc with explanatory notes* and accompanied by such fees as may be specified under the BERC (Fees, Fines and Charges) Regulations, 2005 as amended from time to time. All the information as required in the formats appended to these Regulations along with justification shall be provided in the main petition and submission of information separately in the formats is not mandatory.

Provided the Commission may require submission of additional information/data required for determination of ARR and tariff.

Proceedings held by the Commission for determination of ARR and tariff shall be in accordance with the BERC (Conduct of Business) Regulations, 2005, as amended from time to time.

- 12.3 The petition for determination of tariff shall be accompanied by information for the previous year, current year (RE) and the ensuing years of the entire control period capturing the expected revenues from the tariff and charges including miscellaneous charges at existing rates along with detailed assumptions, parameters required in annual true-up, Annual Performance Review exercise, etc.

Provided that the application shall be accompanied where relevant, by a detailed tariff revision proposal showing category-wise tariff and how such revision would meet the gap, if any, in Aggregate Revenue Requirement for each year of the Control Period.

Provided further that the information for the previous year shall be based on audited accounts and in case audited accounts for previous year are not available, audited accounts for the immediately preceding

- year should be filed along with annual accounts for the previous year adopted by the Board of Directors of the licensee company.
- 12.4 The Distribution Licensee shall along with the aforesaid petition submit a statement on the status of compliance of directives, if any, issued by the Commission in its last tariff order.
- 12.5 The petition for determination of tariff shall include the details of actual subsidy received from the State Government vis-à-vis claimed by the Distribution Licensee in the True-up petition for the previous year:
- 12.6 The Commission may seek clarification and additional information on inadequacies in the application, if any, within 14 days or as may be practicable, of filing of the application for approval of the Business Plan and application for determination of tariff, as the case may be.
- 12.7 The Distribution Licensee shall respond within the next 10 days to the Commission with all clarification and information as required.
- 12.8 The Commission shall admit the application for approval of the Business Plan and application for determination of tariff, as the case may be, within seven days or as may be required, of submission of response to the clarifications, if any, by the Distribution Licensee.
- 12.9 Upon receipt of a complete application accompanied by all requisite information, particulars and documents in compliance with all the requirements specified in these Regulations, the application for approval of the Business Plan and application for determination of tariff, as the case may be, shall be deemed to be received and the Commission or the Secretary or the designated Officer shall intimate to the applicant with the abridged form of application for publication of public notice in the daily newspapers. In case of non-submission or delay in submission of additional information, the Commission may take suo-motu decision to formulate this abridged form of application as it deem appropriate.
- 12.10 The applicant shall, within three (3) days of the intimation given to him in accordance with Regulation 12.9, publish a notice inviting suggestions and objections from the public, in at least two (2) English and two (2) Hindi language daily newspapers widely circulated in the area to which the application pertains, outlining the proposed Business Plan or the proposed ARR and tariff, as the case may be, and such other matters as may be stipulated by the Commission.

Provided that the applicant shall make available a hard copy of the complete application, to any interested party, at such locations and at such rates as may be stipulated by the Commission:

Provided further that the applicant shall also put up on its internet website, in downloadable spreadsheet format showing detailed computations, the application made to the Commission along with all regulatory filings, information, particulars and documents in the manner so stipulated by the Commission:

Provided further that the web-link to the information mentioned in the second proviso above shall be easily accessible, archived for downloading and shall be prominently displayed on the applicant's internet website:

Provided also that the applicant may not provide or put up any such information, particulars or documents, which are confidential in nature, with the prior approval of the Commission.

Explanation – *for the purpose of this Regulation, the term “downloadable spreadsheet format” shall mean one (or multiple, linked) spreadsheet software files containing all assumptions, formulae, calculations, software macros and outputs forming the basis of the application.*

- 12.11 Notwithstanding anything contained in these Regulations, in case of delay/ non-submission of the application for approval of the Business Plan and application for determination of tariff, as the case may be, the Commission may initiate suo-motu proceedings mandating the filing of the said applications.

Provided that in the event of the licensee not filing the application despite the aforesaid proceeding, the Commission may on its own, decide the tariff based on previous year's tariff details and after incorporating suitable adjustments. However before issuing tariff order under such circumstances, comments/ suggestions/ objections from the public and stake holders including the licensee will be invited and same will be considered for the tariff order.

Provided further that the Commission may also pass directions under Section 129 and/or Section 142 of the Act, if required.

13. Order approving the Business Plan and Tariff Order

- 13.1 An Order approving with such modifications or such conditions as may be specified in that order or rejecting the Business Plan shall, as far as

practicable, be issued before the issue of tariff order separately or with the tariff order as the Commission may deem fit and practicable.

- 13.2 The Commission shall, within one hundred and twenty (120) days from receipt of a complete application for determination of ARR and tariff and after considering all suggestions and objections received from the public and after hearing all stakeholders and general public:-

- (a) issue a Tariff Order accepting the application with such modifications or such conditions as may be specified in that Order;
- (b) reject the application for reasons to be recorded in writing, if such application is not in accordance with the provisions of the Act and the Rules and Regulations made thereunder or the provisions of any other law for the time being in force:

Provided that an applicant shall be given a reasonable opportunity of being heard before rejecting its application.

- 13.3 The applicant shall publish the tariff approved by the Commission within seven days of issue of tariff order in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in the area of supply of the applicant and shall put up the approved tariff / tariff schedule on its internet website and make available for sale, a booklet containing such tariff schedule to any person upon payment of reasonable reproduction charges.

- 13.4 The tariff so published shall be in force from the date specified in the said Order and shall, unless amended or revised, continue to be in force for such period as may be stipulated therein.

14. True-Up Order

The Commission shall True-Up expenses of the previous year either as part of the Tariff order or issue Order/s for True-Up of expenses preceding the Tariff order of ensuing year.

- (a) An order for True-Up of expenses shall be issued on annual basis.
- (b) An order for True-Up of expenses shall be on the basis of expense estimates made in the beginning of the year under consideration, actual expenses booked in the audited books of accounts of the Distribution Licensee for the year, and after prudence check of data by the Commission.

- (c) Where audited books of account are not available at the time of true-up provisional books of accounts duly approved by the Board of Directors of the applicant company shall be used for the provisional True-up process.
- (d) Estimates of expenses for the ensuing year shall be on the basis of corresponding figures in the order for True-up of expenses of the previous year and Annual Performance Review or Tariff Order of the current year, as the Commission may consider reasonable and deem fit.
- (e) Notwithstanding anything contained in regulation 4 of these Regulations, the Revenue gap/surplus arising out of Truing up shall be considered by the Commission while determining the ARR of ensuing year(s). While approving adjustments towards revenue/expenses in future years, arising out of Truing up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses/revenues. However the revised estimated gap/surplus as a result of APR shall not be passed in the ARR of ensuing year.

15. Adherence to Tariff Order

- 15.1 If a Distribution Licensee recovers a price or charge exceeding the tariff determined under Section 62 of the Act and in accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate of the Reserve Bank of India without prejudice to any other liability that may be incurred by such Distribution Licensee.
- 15.2 The Distribution Licensee shall submit periodic returns as may be required by the Commission, containing operational and cost data to enable the Commission to monitor the implementation of its Order.

PART IV

SALES, POWER PURCHASE QUANTUM AND COST

16. Metered Sales forecast

16.1 Forecasting Methodology

Metered sales shall be treated as an uncontrollable parameter:

Provided that open access transactions shall not form part of the sales:

Provided further that sales forecast shall be based on past trends in each of the slabs of consumer categories. The cumulative annual growth rate (CAGR) of past 3 years of sales within each of the slabs of a consumer

category as approved in True-up orders shall be used to forecast up to short and medium (5 years) time range:

Provided also that in case of following occurrences, prudent adjustment of forecasted metered sales shall be carried out:

- a) Abnormal trend or variation in the growth rate of particular category / slab consumer mix in any given area (on the basis of proposed city plan, tax holidays, Government incentives for industrial establishments, migration of consumers due to open access, etc.)
- b) Abnormal trend in the growth rate of a particular slab/category of consumers.
- c) Inflection point in economic cycle (boom, slowdown, recession or expansion)
- d) Variations in weather conditions
- e) Materially significant findings during audit check as per Regulation 16.2 of these regulations.

Provided also that in cases where slab-wise sales to each consumer category are not available in audited books of accounts and only consolidated sales are available, the Distribution Licensee shall include the slab-wise sales along with the Business Plan and Tariff petition.

16.2 **Overhaul Exercise**

- (a) A team shall be formed by Distribution Licensee to validate the status of meters, load of metered consumers and category classification of consumers in the area of operations of Distribution Licensee.
- (b) The overhaul exercise shall be a year-long assessment study conducted on monthly basis for the first year subsequent to the notification of these Regulations.
- (c) For the overhaul exercise, consumers shall be sampled for a monthly overhaul from the circles served by the Distribution Licensee.

Provided that the sample so chosen shall be close representation of geographic, demographic, industrial/ commercial/ residential/ agricultural spread served by the Distribution Licensee:

- (d) In the event, inconsistencies are found in the number of metered consumers, status of the meters, load at consumer premises or category classification of the consumers, the forecast arrived at in Regulation 16.1 on the basis of CAGR of historical (3 years) audited sales shall be adjusted accordingly as specified in Regulation 16.1.

17. Unmetered Sales Forecast**17.1 Methodology for determination of unmetered sales**

- (a) Till the time 100% metering of electricity consumers is achieved in area of operation of Distribution Licensee, an independent study shall be conducted by the Distribution Licensee to assess actual consumption of power by unmetered consumer segment:
- (b) For three years including the date of notification of these Regulations, yearlong, month-wise, block-wise study referred in Clause (a) of Regulation 17.1 above shall be conducted by the Distribution Licensee and submitted to the Commission.
- (c) The study referred to in clause (b) of this Regulation shall cover actual consumption in the block (hours of usage, specifications of motor power etc.) demonstrating seasonal impact, economic development, demographics, consumption pattern, etc. This would aid to develop baseline norms pertaining to electricity consumption in un-metered consumer segments.
- (d) Baseline norms shall be established after completion of study in the first year which shall be revised/fine-tuned in the remaining two subsequent years.
- (e) After three years of annual study leading to streamlining of processes, study shall be conducted on alternate year basis.
- (f) Stratified random sampling shall be used to identify consumers in block/district of study which would be, well distributed representation of the block under purview such that sampled consumers shall exhibit same demographic profile, energy consumption pattern, water level etc. of the block.

Provided that the sample selected shall be from all the subdivisions in the state.

17.2 Study of Agricultural feeders not segregated in significant numbers

- (a) The sample of consumers selected shall be monitored and the readings of consumption can be taken from the meters installed at each DT in the sample area.
- (b) The load of all the consumers connected on the DT in each of the sample area shall be validated each month to account for any additional load or replacement of old motor with new motor by the consumers.

- (c) Based on the result of yearlong month-wise study, the consumption pattern for selected subdivisions shall be established.
- (d) The results of the study shall be extrapolated to adjoining areas with similar water level and the same cropping patterns.
- (e) The month-wise analysis of the sample selected for the establishment of baseline shall be submitted to the Commission at regular intervals so that the directions of the Commission are incorporated before the completion of study.

17.3 Study of Agricultural feeders segregated in significant numbers

- (a) During the study, meters shall be installed at input points of the feeder at the sub-station and based on the load flow study the technical loss of the feeder will be evaluated.
- (b) The difference of the feeder meter consumption and technical losses will be agricultural consumption.

Provided that such computation of agricultural consumption may include commercial losses the percentage of which shall be worked out by the Distribution Licensee during the annual study.

- (c) From every subsequent year, the study report shall be submitted to the Commission by 31st October for the Commission to have enough time to conduct validation check and analysis in collaboration with an independent agency and with due assistance of team designated by the Distribution Licensee.
- (d) The Distribution Licensee shall be informed as late as morning of the day scheduled for inspection by the Commission to have reality check and to ensure that power supply and the Distribution Licensee's personnel are available.
- (e) Any significant deviation in the parameters reported in annual study from the baseline study may necessitate revision of norms by the Commission.

18. Treatment of Distribution Loss

18.1 Distribution Loss

Distribution loss shall be considered as a controllable parameter. Based on the assessment of metered and un-metered sales as per Regulations 16 and 17 of these regulations, the Commission shall update existing baseline of distribution losses:

Provided that circle-wise distribution loss reduction targets shall be approved by the Commission on the basis of circle-wise distribution loss, circle-wise differential tariff by way of separate and distinct distribution loss surcharge may also be considered by the Commission, if the Commission considers it appropriate and practicable.

19. Power Purchase Quantum and Cost

- (a) Based on the demand estimates, the power purchase quantum and cost shall be calculated.
- (b) The approved Power Purchase Quantum and cost shall be net of expected revenue from sale of surplus power, if any, during lean period.
- (c) Revenue from sale of surplus power shall be estimated at per unit weighted average price of bilateral purchases.
- (d) If there is a short term requirement of power by the Distribution Licensee and such requirement is on account of any factor beyond the control of the Licensee (shortage/non-availability of fuel, snow capping of hydro resources inhibiting power generation in sources stipulated in the plan, unplanned/forced outages of power generating units or acts of God), then the cost shall be passed on to the customers with the approval of the Commission.

Provided that the extra cost of the power so purchased shall normally be allowed subject to maximum rate of average cost of power purchase from long term and medium term sources. However notwithstanding any provisions under these Regulations, Commission may consider to allow a rate higher than the average cost of power purchase from long term and medium term sources for extra power so purchased on the basis of actual cost incurred subject to the maximum of the rate at which transaction of energy has taken place in the energy exchange, provided the licensee justifies the rate before the Commission with all relevant documents.

19.1 Power Purchase Planning

- (a) Comprehensive Power Procurement Plan shall be submitted as part of MYT petition to the Commission.
- (b) The Distribution Licensee shall prepare a short term (less than 1 year) and a medium term (5 years) plan, separately stated for peak and off-peak periods, for unrestricted demand of electricity for each consumer

category in its area of operation as per Regulation 16 and Regulation 17 of these regulations.

- (c) The demand projected shall be grossed-up with distribution losses (as determined by Regulation 18 of these regulations) and transmission losses to arrive at power purchase requirement for the Distribution Licensee.
- (d) The Distribution Licensee shall assess quantum of power available at its disposal from state's generating plants, central generating utilities, IPPs etc. and month-wise deficit/surplus schedule shall be developed, separately stated for both peak and off-peak period:
- (e) The procurement plan for medium term shall be through competitive bidding.
- (f) Long-term procurement plan shall include proposals about acquisition of demand side resources through "standard bid" or "competitive demand side resource bidding process". The procurement shall also include power from plants using renewable sources of energy at least to the extent stipulated by the Commission.
- (g) Due to in-firm nature of power from renewable sources of energy, alternate firm source of power (equivalent in terms of energy units) may be specified in the procurement plan (over and above total energy required).
- (h) Fixed cost pertaining to such alternate firm source of power, if any, shall be allowed to the Distribution Licensee and actual cost shall be Trued-up.

20. Treatment of Incremental Power procurement cost

20.1 Identification of Incremental cost and process of recovery

- (a) The Distribution Licensee shall recover the incremental cost incurred due to the following:
 - 1. Own generation if the Distribution Licensee has its own generation.
 - 2. Cost due to variation in cost of power purchase on account of increase in fuel cost.
- (b) The incremental cost on own generation and power purchase shall be computed and charged on the basis of actual variation in fuel cost and power purchase cost vis-a-vis the cost approved in the tariff order and shall not be computed on the basis of estimated or expected variation in fuel/power purchase cost and shall be computed on the basis of formula

provided in regulation 20.2 below, and shall be charged with prior approval of the Commission.

- (d) The Distribution Licensee shall submit details of the incremental cost incurred and to be charged to all consumers for the entire month, along with the detailed computations and supporting documents as may be required for approval and verification by the Commission within first 15 days of the month end.
- (e) The Commission shall examine the incremental cost proposed by the Distribution Licensee with supporting documents submitted by the Licensee.
- (f) The Distribution Licensee shall upgrade the billing and IT systems to incorporate Incremental Costs (IC) as a component in tariff design.

20.2 **Formula for computation of Incremental cost**

The formula and terms and conditions for calculation of the incremental charge on account of increase in fuel cost and power purchase cost namely fuel and power purchase cost adjustment (FPPCA) charges shall be as under:

$$\text{FPPCA (Paise / kWh)} = \frac{Q_c(R_{c2}-R_{c1})+Q_o(R_{o2}-R_{o1})+Q_{pp}(R_{pp2}-R_{pp1})+V_z+A}{(Q_{pg1} + Q_{pp1}+Q_{pp2}) \times \left(1 - \frac{L}{100}\right)} \times 100$$

Where,

- Q_c = Quantity of coal consumed during the adjustment period in Metric Tons (MT)
= $(SHR \times Q_{Pg}) (1+TSL) \times 1000 / GCV$, or actual whichever is less
- R_{c1} = Weighted average base rate of coal supplied ex-power station coal yard as approved by the Commission for the adjustment period in Rs. / MT
- R_{c2} = Weighted average actual rate of the coal supplied ex-power station coal yard for the adjustment period in Rs. / MT
- Q_o = Actual Quantity of oil (in KL) consumed during the adjustment period or normative oil consumption as per Tariff order whichever is less.
- R_{o1} = Weighted average base rate of oil ex-power station (Rs./KL) approved by the Commission for the adjustment period.
- R_{o2} = Weighted average actual rate of oil ex-power station supplied (Rs. / KL) during the adjustment period.
- Q_{pp} = Total power purchased from different sources (kWh) = $Q_{pp2}+Q_{pp3}$
- Q_{pp1} = $Q_{pp3} \left(1 - \frac{TL}{100}\right)$ in kWh
- TL = Transmission loss (CTU) (in percentage terms).
- Q_{pp2} = Power purchase from sources with delivery point within the state transmission or distribution system (in kWh)

Qpp ₃	=	Power purchase from sources on which CTU transmission loss is applicable (in kWh)
Rpp ₁	=	Average rate of power purchase as approved by the Commission (Rs. / kWh)
Rpp ₂	=	Average rate of power purchased during the adjustment period (Rs. / kWh)
Qpg	=	Own power generation (kWh)
Qpg ₁	=	Own power generation (kWh) at generator terminal – approved auxiliary consumption
L	=	Percentage T&D loss as approved by the Commission or actual, whichever is lower.
SHR	=	Station Heat Rate as approved by the Commission (Kcal / kWh)
TSL	=	Percentage Transit and Stacking Loss as approved by the Commission.
GCV	=	Weighted average gross calorific value of coal as fired basis during the adjustment period (Kcal / Kg).
VZ	=	Amount of variable charges on account of change of cost of unknown factors like water charges, taxes or any other unpredictable and unknown factors not envisaged at the time of tariff fixation subject to prior approval of the Commission (Rs.)
A	=	Adjustment, if any, to be made in the current period to account for any excess / shortfall in recovery of fuel or power purchase cost in the past adjustment period, subject to the approval of the Commission (Rs.)

If there are more than one power stations owned by the Licensee Qc, Rc₁, Rc₂, Qo, Ro₁, Ro₂, Qpg and Qpg₁ will be computed separately for each power station and sum of the increase/decrease of cost of all power stations shall be taken into consideration.

Terms and conditions for application of the FPPCA formula

- 1) The basic nature of FPPCA is 'adjustment' i.e. passing on the increase or decrease in the fuel costs and power purchase costs, as the case may be, compared to the approved fuel costs and power purchase costs in the Tariff Order.
- 2) The operational parameters / norms fixed by the Commission in the Tariff Regulations / Tariff Order shall be the basis of calculating FPPCA charges.
- 3) The FPPCA will be recovered every month in the form of an incremental energy charge (Rs/kwh) in proportion to the energy consumption of the month in which incremental cost has been incurred and shall not exceed 10% of the approved avg. cost of supply in the Tariff order and balance amount, if any, in the FPPCA over and above this ceiling shall be carried forward to be billed in subsequent month.
- 4) Incremental cost of power purchase due to deviation in respect of generation mix or power purchase at higher rate shall be allowed only if it is justified to the satisfaction of the Commission.
- 5) Any cost increase by the licensee by way of penalty, interest due to delayed payments, and due to operational inefficiencies shall not be allowed.
- 6) FPPCA charges shall be levied on all categories of consumers.
- 7) Distribution licensee shall file detailed computation of actual fuel cost in Rs./kWh for each month for each of power stations of the state

generators as well as cost of power purchase (Fixed and Variable) from each source/station and a separate set of calculations with reference to permitted level of these costs.

- 8) The data in support of the FPPCA claims shall be duly authenticated by an officer of the licensee, not below the rank of Chief Engineer on an affidavit supported with the certified copy of energy bills of power purchase, transmission and RLDC charges, bill for coal purchase and its transportation cost, oil purchase bill and the quantity of coal and oil consumed during the month.
- 9) Levy of FPPCA charge will be allowed only when it is ten (10) paise or more per unit. If it is less than 10 (ten) paise/unit, the same may be carried forward for adjustment in the next month.
- 10) The incremental cost per kWh due to the FPPCA arrived for a month shall be recovered in the energy bill of the month subsequent to the order of the Commission approving FPPCA with full details of rate and unit(s) on which FPPCA charges have been billed. The Generating Company and the Distribution Licensee shall provide along with the proposal of FPPCA (as applicable to them) for a month, a compliance report of the previous order of the commission in respect of FPPCA.

20.3 **Incremental cost realisation per unit of electricity consumption**

The Commission may approve recovery of incremental cost on account of fuel and power purchase cost from the consumers in one or more monthly installment.

PART V FINANCIAL PRINCIPLES

21. Components of ARR

The Aggregate Revenue Requirement (ARR) for the Distribution Business of the Distribution Licensee for each year of the Control Period, shall contain the following financial parameters:

- A. Quantum and Cost of power procurement from various sources
- B. Transmission and load dispatch charges
- C. Operation and Maintenance expenses;
- D. Depreciation
- E. Contingency Reserves;
- F. Interest on Loan;
- G. Interest on Working Capital;
- H. Return on Equity;
- I. Bad debts, if any
- J. Income Tax;

- K. Non-Tariff Income; and
- L. Income from Other Business
- M. Interest on security deposit.

22. Operation & Maintenance Expenses

- (a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repair and Maintenance (R&M) expense and Administrative and General (A&G) expense.

Provided that such norms may be specified for a specific Distribution Licensee or a class of Distribution Licensees.

- (b) Norms shall be defined in terms of combination of number of personnel per 1000 consumers and number of personnel per substation along with annual expenses per personnel for Employee expenses; combination of A&G expense per personnel and A&G expense per 1000 consumers for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses:
- (c) One-time expenses such as expense due to change in accounting policy and arrears paid due to pay commission recommendation shall be excluded from the norms in the trajectory.
- (d) The unforeseen expenses beyond the control of the Distribution Licensee such as pay revision, shall be excluded from the norms in the trajectory.
- (e) The One-time expenses and the expenses beyond the control of the Distribution Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check.
- (f) The norms in the trajectory shall be specified over the control period with due consideration to productivity improvements.
- (g) The norms shall be determined at constant prices of base year and escalation on account of inflation shall be over and above the baseline.
- (h) The Distribution Licensee specific trajectory of norms shall be identified by the Commission on the basis of absolute and relative analysis.
- (i) In absolute analysis, Distribution Licensee's audited accounts of operations for last three years, expenses claimed for control period, historically approved cost, and prudence check shall be used by the Commission to estimate values of norms.

- (j) In relative analysis, performance parameters of other Distribution Licensees within the same state or in other states, shall be considered by the Commission to estimate norms.

Provided that other Distribution Licensees so chosen shall have similar profile as that of the Distribution Licensee under consideration in terms of consumer mix, type of license area (city, state, etc.) type of distribution networks, viz., underground/overhead, High Tension (HT) consumer, Low Tension (LT) consumer ratio, etc.

- (i) Suitable average of outcomes of absolute and relative analysis shall be taken by the Commission to fix the norms over the control period for the Distribution Licensee.

22.1 **Employee Cost**

Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Distribution Licensee and one time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears and Interim Relief, governed by the following formula:

$$EMP_n = (EMP_b * CPI \text{ inflation}) + \text{Provision}$$

Where:

EMP_n : Employee expense for the year n

EMP_b : Employee expense as per the norm

CPI inflation : is the average increase in the Consumer Price Index (CPI) for immediately preceding three years

Provision : Provision for expenses beyond control of the Distribution Licensee and expected one-time expenses as specified above.

Till the norms is specified by the Commission the employee cost shall be determined on the basis of actual historical cost.

22.2 **Repairs and Maintenance (R&M) Expense**

Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets for the year governed by following formula:

$$R\&M_n = K_b * GFA_n$$

Where:

$R\&M_n$: Repairs & Maintenance expense for n^{th} year

GFA_n : Opening Gross Fixed Assets for n^{th} year

Kb : Percentage point as per the norm

22.3 **Administrative and General (A&G) Expense**

A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc.

initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + \text{Provision}$$

Where:

A&G_n: A&G expense for the year n

A&G_b: A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years

Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission.

Till the norms of A&G expenses is specified by the Commission, the actual historical cost will be considered for determination of A&G expenses.

23. **Treatment of Depreciation**

- (a) Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year.
- (b) Depreciation shall not be allowed on assets funded by capital subsidies, consumer contributions or grants.
- (c) Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate specified by the Central Electricity Regulatory Commission.
- (d) The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset.

The Distribution Licensee shall submit separate detail of fully depreciated asset along with year of commissioning and year of attaining ninety percent depreciation with the tariff petition..

Provided that Land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset:

- (e) Depreciation shall be charged from the first year of commercial operation of the asset.

Provided that in case the operation of the asset is for a part of the year, depreciation shall be charged on proportionate basis:

- (f) A provision of replacement of assets shall be made in the capital investment plan.

24. Contribution to Contingency Reserve

- (a) If the Distribution Licensee has made an appropriation to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such appropriation in the calculation of ARR:
- (b) The amount so appropriated shall be invested in securities authorized under the Indian Trusts Act, 1882 within a period of six months of close of the financial year.

Provided that no diminution in the value of contingency reserve shall be allowed to be adjusted as a part of tariff.

- (c) The Contingency Reserve shall not be drawn upon during the term of the license except to meet such charges as may be approved by the Commission, such as following:
 - (i) Expenses or loss of profits arising out of accidents, strikes or circumstances which the management could not have prevented;
 - (ii) Expenses on replacement or removal of plant or works other than expenses required for normal maintenance or renewal;
 - (iii) Compensation payable under any law for the time being in force and for which no other provision is made:

Provided that such drawal from contingency reserve shall be computed after making due adjustment for any other compensation that may have been received by the Licensee as part of an insurance cover:

25. Treatment of Interest on loan

- (a) The Distribution Licensee shall provide detailed loan-wise, project-wise and utilization-wise details of all the loans.
- (b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan:

- (c) Actual loan or normative loan, if any, shall be referred as gross normative loan in this Regulation.
- (d) The normative loan outstanding as of 1st April of control period shall be computed by deducting the cumulative repayment as approved by the Commission (basis as mentioned below) up to 31st March of current period (a year before control period) from the gross normative loan.
- (e) The repayment for the control period shall be deemed to be equal to the depreciation allowed for the year.
- (f) Notwithstanding any moratorium period availed by the Distribution Licensee, the repayment of the loan shall be considered from the first year of the control period as per annual depreciation allowed.
- (g) The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year of the control period, in accordance with terms and conditions of relevant loan agreements, or bonds or non-convertible debentures:

Provided that if no actual loan is outstanding but normative loan is still outstanding, the last available weighted average rate of interest shall be applicable.

Provided further that the interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest:

Provided also that exception shall be made for the existing loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects:

- (h) The Distribution Licensee shall make every effort to refinance the loan as long as it results in net benefit to the consumers.

Provided that the cost associated with such refinancing shall be eligible to be passed through in tariffs and the benefit on account of refinancing of loan and interest on loan shall be shared in the ratio of 50:50 between the Distribution Licensee and the consumers.

Provided further that the Distribution Licensee shall submit the calculation of such benefit to the Commission for its approval.

- (i) The Distribution Licensee shall enable tracking of the loans converted into grants under schemes like APDRP, R-APDRP, RGGVY, RSVP, etc or any other loan from the Central or State Government by providing information and data regularly to the Commission, for enabling the Commission to recover from Distribution Licensee the amount of interest on loans which have been passed on to the consumers in the earlier years and have been converted into grant subsequently so that the recovered amount is passed on to the consumers.
- (j) Addition to loan during the year for interest purpose will be restricted to the quantum of assets capitalized and put to use.

26. Interest on Working Capital

The Distribution Licensee shall be allowed interest on estimated level of working capital for the financial year, computed as follows:

- a) O&M expenses for one month
- b) Two months equivalent of expected revenue
- c) Maintenance spares @ 40% of R&M expenses for one month:

Less:

- (j) Power purchase cost, transmission charges and load dispatch charges of one month
- (ii) Depreciation, return on equity and contribution to contingency reserves
- (iii) Security deposits from consumers, if any.

Provided that the interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank Advance Rate (SBAR) as of the date on which petition for determination of tariff is accepted by the Commission.

Provided further that interest shall be allowed on consumer security deposits and security deposits from Distribution System users at the Bank Rate as of the date on which the petition for determination of tariff is accepted by the Commission.

Provided further that if the State Government is providing resource gap grant or subsidy, working capital shall be reduced by that amount.

27. Treatment of Return on equity

- (a) Return on equity shall be computed on 30% of the capital base or actual equity, whichever is lower:
Provided that assets funded by consumer contribution, capital subsidies/ grants and corresponding depreciation shall not form part of the capital base. Actual equity invested in the Distribution Licensee as per book value shall be considered as perpetual and shall be used for computation in this Regulation:
- (b) The return on the equity invested shall be allowed from the date of start of commercial operation:
- (c) The project which will be commissioned w.e.f. 01.04.2016 will be allowed RoE of 15.5% and if project is completed in schedule period 0.5% incentives in form of RoE will be allowed.

28. Bad and Doubtful Debts :

Bad and Doubtful Debts shall be allowed as a legitimate business expense provided the distribution licensee actually identifies and writes off bad debts as per the transparent policy approved by the Commission. In case there is any recovery of bad debts already written off, the recovered bad debt will be treated as other income.

29. Income Tax

- a) Income Tax, if any, on the Licenced business of the Distribution Licensee shall be treated as expense and shall be recoverable from consumers through tariff. However, tax on any income other than that through its Licenced business shall not be a pass through, and it shall be payable by the Distribution Licensee itself.
- b) The income tax actually payable or paid shall be included in the ARR. The actual assessment of income tax should take into account benefits of tax holiday, and the credit for carry forward losses applicable as per the provisions of the Income Tax Act 1961 shall be passed on to the consumers.
- c) Tax on income, if any, liable to be paid shall be limited to tax on return on the equity component of capital employed. However any tax liability on incentives due to improved performance shall not be considered.

30. Non-Tariff Income

- a) All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers, other miscellaneous receipts, income to Licensed business from the Other Business of the Distribution Licensee and any other income mentioned in Schedule-5 of The Electricity (Supply) Annual Accounts Rule 1985 shall constitute Non-Tariff Income of the Licensee
- b) The amount received by the Licensee on account of Non-Tariff Income shall be deducted from the Aggregate Revenue Requirement in calculating the net revenue requirement of Distribution Licensee.

31. Income from Other Business

Where the Distribution Licensee is engaged in any other business, the income from such business will be deducted from the Aggregate Revenue Requirement in calculating the revenue requirement of the Licensee in the manner and in proportion as may be specified by the Commission in BEREC (Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensees) Regulations, 2013 and its amendments from time to time.

Provided that the Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Distribution Business and the Other Business and shall submit the Allocation Statement as approved by the Board of Directors to the Commission along with the application for determination of tariff;

Provided further that where the sum total of the direct and indirect costs of such Other Business exceed the revenues from such Other Business or for any other reason, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Distribution Licensee on account of such Other Business.

32. Treatment of Regulatory Assets

- (a) Regulatory assets shall not normally be created against cost/loss incurred in normal course of business.
- (b) The amortization schedule corresponding to the regulatory asset shall be approved by the Commission and put in effect along with creation

of the regulatory asset. The amortization schedule shall normally provide for recovery of the regulatory asset within a period not exceeding three years.

- (c) The carrying cost of the regulatory asset shall be in line with the State Bank Advance Rate (SBAR) for the tenure for which regulatory asset has been created.
- (d) There shall not be a long gap in truing up of accounts of the Distribution Licensee so as to prevent the need for creation of the regulatory asset.

PART-VI WHEELING AND RETAIL SUPPLY BUSINESS

33. Segregation of Wheeling Business and Retail Supply Business

The Distribution Licensee shall maintain separate books of accounts for Wheeling Business and Retail Supply Business. For such period until accounts are segregated and separate books of accounts are maintained, the Commission shall stipulate the ratio of allocation of all expenses and return component, based on data obtained from the Distribution Licensees. The following broad principles shall be followed for allocation of costs towards wheeling business and supply business, out of the total annual Aggregate Revenue Requirements determined:

- (a) Power purchase cost shall be allocated to the Retail Supply business
- (b) Operation and Maintenance expenses shall be segregated between wheeling and retail supply businesses in such manner as may be determined by the Commission;
- (c) Majority of the capital expenditure related expenses, viz., depreciation, interest and return on equity, shall be included under the wheeling business;

Note – The Retail Supply Business would require only a small component of the capital expenditure towards billing and collection activity.

PART- VII NORMS OF OPERATION

34. Target Availability and Recovery of ARR

- (a) Recovery of the annual Aggregate Revenue Requirement determined as per the norms under these regulations shall be based on achievement of the target availability index as under:

The Availability index shall be computed for both Wheeling Business and Retail Supply Business of the Distribution Licensee on yearly basis as per following:

For Wheeling Business:

Wheeling Network Availability Index (%) = $(1 - (\text{SAIDI}/8760)) \times 100$

Where,

SAIDI = Sum of all customer interruption durations/Total number of consumers served

For Retail Supply Business:

The Supply Availability shall be measured on the basis of power contracted by the Distribution Licensee on a long-term basis as per the power procurement plan under following heads:

Base Load Supply Availability = $((\text{Actual Contracted Base Load Supply (MW)}) \times (\text{Number of Off-Peak hours})) / ((\text{Base Load in MW}) \times (\text{Number of Off-Peak hours}))$
 Peak Load Supply Availability = $((\text{Actual Contracted Peak Load Supply (MW)}) \times (\text{Number of Peak hours})) / ((\text{Peak Load in MW}) \times (\text{Number of Peak hours}))$
 Supply Availability Index = 75% of Base Load Supply Availability + 25% of Peak Load Supply Availability

- (b) The Distribution Licensee shall maintain data on planned maintenance outages, load shedding, force majeure outages and tripping's.
- (c) The incentive/disincentive shall exclude the circumstances when the actual supply differs from the contracted supply due to force majeure situations, weather conditions, extreme monsoon failure, station outages, etc. which are beyond the control of the Distribution Licensee.
- (d) The Commission shall specify progressively increasing normative levels of Availability for Wheeling and Supply Business of the Distribution Licensee on the basis of past performance over the control period.

Provided that the Availability of Retail Supply Business shall not be lower than 90% and shall gradually increase to 95% or 98% in no less than three years ¹

- (e) The additional ARR shall be considered as +/- 0.2% of ARR for every percentage point increase/decrease in Availability vis-à-vis the normative levels of availability.

Provided that the maximum additional return that can be earned/reduced shall be +/- 2% of ROE

PART-VIII

SUBSIDY, CROSS SUBSIDY AND TARIFF DESIGN

35. Subsidy

- (a) The Commission shall determine the ARR and Tariff without considering subsidy.

Provided that if the State Government declares subsidy for the categories of consumers after notification of Tariff Order, the licensee shall incorporate the same in the tariff and intimate the Commission with the revised Tariff Schedule that shall be charged if the subsidy is received in advance:

Provided further that in case the State Government declares subsidy in advance or during tariff filing proceedings and the licensee incorporates the subsidy in the petition, the Commission shall notify two tariff schedules, one with subsidy and the other without subsidy:

Provided also that the Government's subsidy provided for or declared shall be supported by documentary evidence of time schedule of payment, mode of the payment of the subsidy and categorization of the subsidy amount into subsidized consumer categories:

- (b) The Commission may clarify in the tariff order, post the declaration from the Government, the quantum of Government's subsidy as applicable to the fuel cost adjustment along with the range (%) of variable cost upto which the fuel adjustment cost shall not be passed to the consumers, category wise classification, mode of payment and schedule of payment etc.
- (c) In case of no disbursement or delayed disbursement of subsidy by the Government, the licensee shall charge consumers as per the tariff schedule which is approved by the Commission without consideration of subsidy.
- (d) In case the amount of subsidy by the Government is not utilized in full, the balance amount of subsidy amount shall be used for adjusting in ARR of the ensuing year(s)

36. Cross Subsidy, Allocation of Cost to Serve and Tariff Design

- (a) The Commission shall notify a roadmap for reduction of cross subsidies within control period. The road map shall also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.
- (b) The Distribution Licensee shall compute the consumer category-wise cost of supply as per the methodology elaborated below.
- (c) Allocation of Cost: The Cost to serve shall be allocated to the consumer categories in the following manner:

Step 1: Functionalization of Cost - Total cost shall be divided on the basis of functions performed such as power purchase, distribution etc.

Step 2: Classification of Cost –Each of the functionalized costs shall be further classified, based on its intrinsic nature into Demand related cost, Energy related cost and Customer related cost. Demand related costs shall generally be of fixed nature, related to capacity creation and shall include interest on capital borrowing, depreciation etc. Energy cost shall be related to quantum of electricity consumption of consumer, such as fuel cost, interest on working capital, etc. Consumer related cost shall include operating expenses associated with meter reading, billing and accounting.

Step 3: Allocation of Cost

- i. **Allocation of Demand Costs:** Demand costs of all three functions shall be allocated among consumer categories on the basis of average coincident peak demand of the tariff categories (average of past 12 months). To facilitate determination of average coincident peak demand for the various tariff categories, load research shall be made an integral part of the operations of the DISCOMs and systematic load research exercises shall be initiated.
- ii. **Allocation of Energy Costs:** Energy related costs of Distribution functions shall be allocated to consumer categories on the basis of ratio of electricity consumption of each consumer category to the total electricity consumption under the purview of the Distribution Licensee. Energy related costs of Power purchase shall be allocated to various tariff categories on the basis of block approach on merit order dispatch and incremental principle, where each tariff category shall be allocated the incremental (energy related)

power purchase cost on the basis of their respective share in the incremental power purchase. For the purpose of operationalising the block approach and incremental principle, the Commission shall identify and notify a suitable year as the "base year".

iii. Allocation of Customer Costs: Customer related costs shall be allocated to consumer categories on the basis of the ratio of number of consumers in each category to total number of consumers under the purview of the Distribution Licensee.

(d) Summation of allocated Demand cost, Energy cost and Customer cost across functions shall be total Cost to serve for respective consumer categories. Cost to serve reduced by revenue from a consumer category shall give total subsidy for that category. Total subsidy for a consumer category reduced by Government subsidy, if any, shall be cross-subsidy for that consumer category.

(e) The consumers below poverty line who consume power below a specified level, say 30 units per month, shall receive a special support through cross subsidy.

(f) Cross-subsidy surcharge and additional surcharge in Open Access

(1) The amount received or to be received by the licensee on account of cross-subsidy surcharge and additional surcharge, as approved by the Commission from time to time in accordance with the Regulations specified by the Commission, shall be shown separately against the consumer category that is permitted open access as per the phasing plan.

(2) Cross-subsidy surcharge and additional surcharge shall be shown as revenue from the tariff from the consumer categories who have been permitted open access and such amount shall be utilized to meet the cross-subsidy requirements of subsidized categories and fixed costs of the Distribution Licensee arising out of his obligation to supply.

Provided that the licensee shall provide such details in its annual filings.

(g) Tariff Design

(1) The Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.

- (2) After the costs have been allocated based on the method specified in clauses (c) and (d) above, tariffs for different consumer categories shall be designed with due regard to factors provided under section 62(3) of the Act.
- (3) The time of day tariff would be structured across three time slabs to denote normal, peak and off-peak periods. The time-periods would vary according to different seasons of the year i.e. summer, winter and the monsoon season. The peak tariff would be 20%-30% higher than the normal tariff and the off-peak tariff would be priced 15%-20% lower than the normal tariff.
- (4) The peak and off-peak hours during seasons shall be as notified by the State Load Dispatch Centers in advance.
- (5) Time of Day tariff shall be introduced in a phased manner, wherein in phase 1 it would be compulsory for HT Consumers, in phase 2 – compulsory for LT consumers consuming more than 25 KW and in phase 3 compulsory for LT consumers consuming more than 10 KW.

PART IX MISCELLANEOUS

37. Power to amend

The Commission may, at anytime, amend, alter or modify any provision of these Regulations.

38. Power to remove difficulties

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

39. Right to vary terms and conditions

The terms and conditions for determination of tariff specified in these regulations are in the nature of general framework on the basis of which the tariff shall be determined. The Commission reserves its right to vary these terms and conditions, as and when deems fit.

40. Limitation of Power of Commission

Nothing in these regulations shall be deemed to limit the powers of the Commission to deal with any matter or exercise any power under the relevant Acts for which no regulations have been made / framed and to

make such orders as it may consider appropriate to meet the ends of justice in any case.

41. Repeal and savings

- (a) Save as otherwise provided in these regulations, regulations 79 to 93 under chapter 5 & 6 of the BERC (Terms and Conditions for Determination of Tariff) Regulations, 2007, and its amendments from time to time are hereby repealed.
- (b) The other part of BERC (Terms and Conditions for determination of Tariff) Regulations, 2007 and its amendments shall remain applicable and where a difference is found in the Regulation relating to MYT of distribution licensee the provision of these Regulations shall prevail
- (c) Notwithstanding such repeal, any proceedings before the Commission pertaining to the period prior to the commencement of the Control Period, including Petitions for True up of expenses, annual performance review, etc. shall be governed by BERC (Terms and Conditions of Determination of Tariff) Regulations 2007 and its amendments from time to time.

By order of the Commission,
PARMANAND SINGH,
Secretary.

Sl.No.	Format Sl.	Particulars	Page No.
1.	Format-1	Energy Sales	35
2.	Format-2	Distribution Losses	36
3.	Format-3	Source-wise Quantum of Power Purchase	37
4.	Format-4	Energy Requirement and Energy Balance	38
5.	Format-5	Power Purchase Cost	39-40
6.	Format-6	Employee Details	41
7.	Format-7	Employee Cost	42
8.	Format-8	Employees Productivity Parameters	43
9.	Format-9	Repair and Maintenance Expenses	44
10.	Format-10	Administration and General Expenses	45
11.	Format-11	Investment Plan (Scheme-wise)	46
12.	Format-12	Investment Plan (Year-wise)	47
13.	Format-13	Fixed Assets	48
14.	Format-14	Gross Fixed Assets (GFA)	49
15.	Format-15	Value of Assets and Depreciation Charges	50
16.	Format-16	Depreciation Charges	51
17.	Format-17	Capital Work-In-Progress	52
18.	Format-18	Details of Loans for the year	53
19.	Format-19	Information Regarding Restructuring of Outstanding Loans During the Year	54
20.	Format-20	Interest and Finance Charges	55
21.	Format-21	Interest Capitalized	56
22.	Format-22	Lease details	57
23.	Format-23	Interest on Working Capital	58
24.	Format-24	Contribution to Contingency Reserve	59
25.	Format-25	Information Regarding Amount of Equity & Loan	60
26.	Format-26	Information Regarding Amount of Income Tax Paid (for previous financial years)	61
27.	Format-27-A	Non Tariff Income (on existing rates)	62
28.	Format-27-B	Non Tariff Income (on proposed tariff)	63
29.	Format-28	Information Regarding Revenue from Other Business	64
30.	Format-29	Aggregate Revenue Requirement (ARR)	65
31.	Format-30-A	Revenue from Existing Tariff	66
32.	Format-30-B	Revenue from Proposed Tariff	67
33.	Format-31	Revenue Gap (Ensuing Year)	68
34.	Format-32	Information Regarding Grant/Subsidy from State Govt/Central Govt.	69
35.	Format-33	Voltage-wise Cost of Supply	70-71
36.	Format-34	Tariff Structure and Rate	72-73
37.	Format-35	Computation of Cross Subsidy	74
38.	Format-36	Wheeling & Open Access Charges	75

FORMAT - 1

Tariff Petition for Financial Year _____**Name of the Distribution Licensee :****Energy Sales****(Separately for previous, current and ensuing financial years of control period)**

S.N	Category of Consumers	No. of Consumers at the end of the year (Nos.)	Connected Load at the end of the year(KW)	Energy Sale / Demand (MUs)
1	2	3	4	5
1	Domestic			
	(a) 'Kutir Jyothi'			
	Metered			
	Unmetered			
	(b) Domestic Service I (DS I)			
	Metered			
	Unmetered			
	(c) Domestic Service II (DS II)			
	Metered			
	(d) Domestic Service III (DS III)			
	Metered			
	Sub - Total			
	Non Domestic Services (NDS)			
	(a) NDS-I			
	(b) NDS-II			
2	(d) NDS-III			
	Sub - Total			
3	Irrigation and Agricultural Service (I.A.S)			
	IAS - I Metered			
	IAS - I Unmetered-			
	IAS - II Metered -			
	IAS - II Unmetered -			
	Sub - Total			
4	L.T. Industrial Service (L.T.I.S)			
	(a) LTIS-I			
	(b) LTIS-II			
5	Street light Service			
	SS-I Metered			
	SS-II Unmetered			
	Sub - Total			
6	11 kV High Tension Service (HTS I)			
7	33 kV High Tension Service (HTS II)			
8	132 kV High Tension Service (HTS III)			
9	High Tension specified service (HTSS)			
	Sub - Total			
10	Railway Traction Service (RTS)			
	Sub - Total			
	Grand Total			
11	Total Sale 1 to 10)			
12	Sales to Electricity Traders, if any			
13	Sales to Other Distribution Licensees, if any			
14	Total Sales in the State.			
15	Sales outside State/UI			
16	Sales to Nepal			
17	Gross Sales			

- Note:** (1) Month-wise agriculture consumption data as per sample meters may also be supplied for different years separately for mono block and submersible agricultural pump sets.
- (2) The information shall be given as required by the Commission to determine the tariff.
- (3) Category of consumers in column 2 should be as per tariff structure proposed in the tariff petition.
- (4) Slab-wise and connected load-wise consumption in those categories in which tariff rate is provided slab-wise shall be submitted separately.

Format - 2**Tariff Petition for Financial Year _____****Name of the Distribution Licensee :****Distribution Losses**

[In Percentage]

Particular	Previous FY	Current FY	Ensuing Years		
Distribution Losses					

FORMAT-3**Tariff Petition for Financial Year _____****Name of the Distribution Licensee:**

**Source-wise Capacity Allocation (in MW) and Power Purchase (in MU)
From Different Sources**

S.N	Name of Source	Total Capacity (MW)	Share of Discom (MW)	Previous year (Actuals)		Current Year (R.E) (MU)		Ensuing year (s) (Projection)	
				MW	MU	MW	MU	MW	MU
1	2	3	4	5	6	7	8	9	10
A	Through Inter-State Transmission								
	(i)								
	(ii)								
	(iii)								
	(iv)								
	(v)								
								
	Sub Total								
B	Through Intra-State Transmission								
	(i)								
	(ii)								
	(iii)								
	(iv)								
	(v)								
								
	Sub Total								
C	Distributed Generation								
D	TOTAL (A+B+C)								

FORMAT-4**Tariff Petition for Financial Year _____****Name of the Distribution Licensee :****Energy Requirement and Energy Balance for FY _____**

	Particular	Unit	Previous FY	Current FY	Ensuing Years		
A.	ENERGY REQUIREMENT						
1)	Energy, Sales within the area	MU					
2)	Distribution loss	%					
3)	Distribution losses	MU					
4)	Energy required at distribution periphery	MU					
5)	Energy transferred to other discom	MU					
6)	Energy transferred to other states/UI	MU					
7)	Total Energy required (4+5+6)	MU					
8)	State Transmission losses	%					
9)	State Transmission losses	MU					
10)	Energy required at state transmission periphery (7+9)	MU					
B.	ENERGY AVAILABILITY						
1)	From Central Sector	MU					
2)	From State Generating Stations	MU					
3)	From Renewable Sources	MU					
4)	Others	MU					
5)	Total Power Available (MU)	MU					
6)	CTU Transmission losses on (1)	%					
7)	CTU Transmission losses	MU					
8)	Net Power Available at state periphery (5-7)	MU					
9)	Surplus / (Deficit) Energy at Distribution peripheral (B8-A10)	MU					

Power Purchase Cost

[illegible]

[illegible]

This is to certify that no earlier year purchase cost have been included in this table. The above table is only for current year transactions pertaining to power purchase.

FORMAT - 6**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Employee Details**

S.N	Particulars	Previous year (Actuals)	Current Year (R.E)	Ensuing years (Projection)		
1	2	3	4	5	6	7
1	Number of employees at the beginning of FY _____					
2	No. of employees added during FY _____					
3	Number of employees retiring/ leaving during the FY_____					
4	Number of employees at the end of the FY (1+2-3)					

FORMAT - 7**Tariff Petition for Financial Year _____****Name of the Distribution Licensee :****Employee Cost**

(Rs. in Cr.)				
S.N	Particulars	Previous Year	Current Year	Ensuing Year (s)
1	Salaries & Allowances			
(i)	Existing Employees			
(ii)	New Employees			
(ii)	Total			
2	Contribution to Terminal Benefits (Accrual Basis)			
3	Total of Salary & Allowances and Terminal Benefits			
4.	Amount Capitalised			
5.	Net Amount			
6.	Grand Total			

Note:

- (i) No terminal benefits shall be paid before the date of reorganisation i.e. 01.11.2012.
- (ii) In respect of continuing employees as on the date of reorganisation and newly appointed employees after reorganisation date the terminal benefits shall be allowed.
- (iii) In respect of item 6, a brief description to be appended.

FORMAT - 8**Tariff Petition for Financial Year _____****Name of the Distribution Licensee :****Employees Productivity Parameters**

S.N	Particulars	Previous year (Actuals)	Current Year (R.E)	Ensuing years (Projection)		
1	2	3	4	5	6	7
1	Number of consumers (in Lakh)					
2	Connected load in kW					
3	Distribution line in circuit KM					
4	Energy sold in MU					
5	Employees per MU of energy sold					
6	Employees per 1000 consumers					
7	Share of employees cost in total costs					
8	Employees cost in paise / kWh of energy sold					
9	Distribution line circuit KM per employee					

FORMAT - 9**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Repair and Maintenance Expenses****(Rs. in lakhs)**

S.N	Particulars	Previous year (Actuals)	Current year (RE)	Ensuing years (Projections)		
1	2	3	4	5	6	7
1	Plant & Machinery					
2	Building					
3	Hydraulic works & civil works					
4	Line cable & network					
5	Vehicles					
6	Furniture & fixtures					
7	Office equipments					
8	Total expenses					
9	Less capitalized					
10	Net Expenses					
11	Total expenses charged to revenue					

* Year-wise details of these charges may be provided with documentary evidence

Tariff Petition for Financial Year _____**Name of the Distribution Licensee : _____****Administration and General Expenses****(Rs. in lakhs)**

S.N	Particulars	Previous year (Actuals)	Current year (RE)	Ensuing years (Projections)		
1	2	3	4	5	6	7
1	Rent, rates & taxes					
2	Insurance					
3	Telephone, postage & Telegrams					
4	Consultancy fees					
5	Technical fees					
6	Other professional charges					
7	Conveyance & travel expenses					
8	Electricity & Water charges					
9	Freight					
10	Other material related expenses					
11	Penalty/Fine Paid (if any)					
12	Any other expenses					
13	Total expenses					
14	Less Capitalised					
15	Net expenses					
16	Total expenses charged to revenue					

* Year-wise details of these charges may be provided with documentary evidence.

FORMAT - 11**Tariff Petition for Financial Year** _____**Name of the Distribution Licensee :** _____**Investment Plan (Scheme-wise)**

(Rs. in lakhs)

S.N	Name of scheme / Project	Approved Outlay	Previous year (actuals)	Current year (RE)	Ensuing Years (Projection)			Progressive Expenditure upto ensuing year (s)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								

Note :

The amount of grants and loans shall be furnished separately scheme wise and funding agency wise.

FORMAT - 12**Tariff Petition for Financial Year** _____**Name of the Distribution Licensee :** _____**Investment Plan (Year-wise)**

(Rs. in lakhs)

S.N	Year	Originally proposed by the Discom	Approved by the Commission	Revised by the Discom	Revised approval by the Commission in review	Actual expenditure
1	2	3	4	5	6	7

Note: i) Information for previous year to be given in columns 1 to 7

ii) Information for the current year to be given in columns 1 to 5

iii) Amount of grants and loans shall be furnished separately funding Agencywise and yearwise.

Tariff Petition for Financial Year _____**Name of the Distribution Licensee : _____****Fixed Assets**

(Rs. in lakhs)

S.N	Particulars	Previous Year	Current Year	Ensuing Years of the control period
1	2	3	4	
1	Gross fixed asset (GFA) at beginning of the year			
2	Less accumulated depreciation			
3	Net GFA at beginning of the year			
4	Less accumulated consumer contribution			
5	Net fixed asset at beginning of the year			
S.N	Particulars	WIP	Fixed Assets	
1	2	3	4	
1	As on 31st March of previous year Add capital expenditure during current year Total: Less transferred to fixed assets			
2	As on 31st March of current year Add capital expenditure during ensuing year Total: Less transferred to fixed assets			
3	As on 31st March of ensuing year			
S.N	Particulars	Amount		
1	2	3		
1	Accumulated Depreciation			
2	As on 31st March of previous year			
3	Add: Depreciation for current year			
4	As on 31st March of current year			
5	Consumers Contribution			
6	As on 31st March of previous year			
7	Addition during current year			
8	As on 31st March of current year			
9	Asset created from grants			
10	As on 31st March of previous year			
11	Addition during current year			
12	As on 31st March of current year			

Note (1) Compiled and audited Annual Account should be submitted for the previous year.

(2) The Actual figures / data from April to September and budgeted figures / data

from October to March relating to the year in which the tariff petition is submitted should be submitted

[illegible]

7	Vehicles										
8	Furniture and Fixtures										
9	Office equipment										
10	Total										
	(vii) Other										
	Grand Total (i to vii)										

FORMAT -16**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Depreciation Charges**

Sl.No.	Particulars	Previous Year	Current Year	Ensuing Year (s)
1	Gross fixed assets of the beginning of the year			
2	Additions during the year			
3	IDC			
4	Closing GFA			
5	Average GFA			
6	Weighted Average Rate of Depreciation			
7	Gross Depreciation			
8	Opening grants			
9	Grants during the year			
10	Total Grants			
11	Average Grants			
12	Weighted Average rate of Depreciation			
13	Depreciation for GFA on Grants			
14	Net Depreciation of GFA on loans (7-13)			

Note: In the case of assets utilised which have reached the residual value, after recovery of depreciation in full, details of such assets shall be furnished separately along with their residual value, so as to enable the Commission to pass on the required benefit to the consumers through tariff.

FORMAT - 17**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Capital Work-In-Progress (CWIP)**

(Rs. in lakhs)

S.N	Particulars	Previous year (Actuals)	Current year (RE)	Ensuing year (s) (Projections)
1	2	3	4	5
1	Opening CWIP			
2	New Investment			
3	Less Capitalization			
(a)	CWIP			
(b)	New Investment			
4	Closing CWIP (1+2-3)			
5	Funding			
(a)	CWIP Capitalization			
(i)	Grant			
(ii)	Loan			
(b)	New Investment Capitalization			
(i)	Grant			
(ii)	Loan			
6	Total capitalisation			
(i)	Total Grant			
(ii)	Total Loan			

FORMAT - 18**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Details of Loans for the year**(Information to be supplied separately for the previous year (actuals), current year(RE)
and ensuing years (projections))**(Rs. in lakhs)**

S.N	Particulars	Opening balance	Rate of Interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest paid
1	2	3	4	5	6	7	8

Note : The amount of penal interest, if any, to be shown separately.

FORMAT – 19**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Information Regarding Restructuring of Outstanding Loans During the Year**

(Rs. in lakhs)							
S.N	Source of loan	Amount of original loan	Old rate of interest	Amount already restructured	Revised rate of interest	Amount now being restructured	New rate of interest
1	2	3	4	5	6	7	8

FORMAT - 20**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Interest and Finance Charges**

(Rs. in lakhs)				
S.N.	Source of loan	Previous year (Actuals)	Current year (RE)	Ensuing year (s) (Projections)
1	2	3	4	5
1	SLR Bonds			
2	Non SLR Bonds			
3	LIC			
4	REC			
5	Commercial Banks			
6	Bills discounting			
7	Lease rental			
8	PFC			
9	Others			
10	Total			
11	Add State Govt. Loan			
12	Total (10 +11)			
13	Less capitalisation			
14	Net Interest			
15	Add prior period adjustment *			
16	Total Interest			
17	Finance charges			
18	Total Interest and finance charges			

* Year-wise details should be submitted with documentary evidence.

Rate of interest of various loans to be indicated in a separate sheet, as part of Format-20

Tariff Petition for Financial Year _____

Interest Capitalized

				(Rs. in lakhs)
S.N.	Interest capitalized	Previous year (Actuals)	Current year (RE)	Ensuing year (s) (Projections)
1	2	3	4	5
1				
2				
3				
4				
5				

Tariff Petition for Financial Year _____

Lease details

[illegible]

FORMAT - 23**Tariff Petition for Financial Year _____****Name of the Distribution Licensee :****Interest on Working Capital****(Rs. in lakhs)**

S.N	Particulars	Amount		
		Previous Year	Current Year	Ensuing Year (s)
1	2	3	4	5
1	O&M expenses for one month			
2	Two months equivalent of expected revenue: After deducting:			
3	Maintenance spares @ 40% of R&M expenses for one month			
4	Less: (i) Power purchase cost, Load dispatch charges and transmission charges for one month. (ii) Depreciation, ROE, and contribution to contingency reserve. (iii) Security deposit from consumer if any (iv) grant received from the State Govt. for power purchase and other O&M expenses.			
6	Net working capital			
7	Interest rate			
8	Interest on working capital			

FORMAT - 24**Tariff Petition for Financial Year** _____**Name of the Distribution Licensee :** _____**Contribution to Contingency Reserve****(Rs. in lakhs)**

S.N	Particulars	Amount
1	2	3
1	Fixed Assets	
2	%age appropriation to the contingency reserve	
3	Appropriation to the contingency amount	
4	Amount invested in securities	
5	Drawal from the contingency reserve (i) (ii) (iii) Total drawal	

FORMAT - 25**Tariff Petition for Financial Year** _____**Name of the Distribution Licensee :** _____**Information Regarding Amount of Equity & Loan****(Rs. in lakhs)**

S.N	Particulars	Amount of equity	Amount of loan	Ratio of equity & loan
1	2	3	4	5
1	Amount of total asset			
2	Less asset created from grant			
3	Less asset created from consumer contribution			
4	Net asset			
5	Amount of loan (debt)			
6	Amount of equity			
7	Debt equity ratio			
8	Amount of equity eligible for return			
9	Rate of return on equity			
10	Amount of return on equity			

Note : Any change in equity balance from previous year must be Supported with documentary evidence.

Details of Capital Base

S.N	Particulars	Previous Year	Current Year	Ensuing Year
1	2	3	4	5
1	Gross Capital at beginning of the year			
2	Less accumulated depreciation			
3	Net capital at beginning of the year			
4	Less accumulated consumer contribution			
5	Net capital at beginning of the year			

FORMAT - 26**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Information Regarding Amount of Income Tax Paid
(for previous financial years)**

(Rs. in lakhs)

S.N	Particulars	During previous financial year
1	2	3
1	Amount of taxable income from the licensed business	
i)	Amount of Income Tax paid	
ii)	Challan No. & Date through which Income Tax paid	
iii)	Name of Banks in which the amount was deposited	
iv)	PAN No. of the depositor	
2	Amount of income from other than licensed business	
i)	Amount of Income Tax paid	
ii)	Challan No. & Date through which Income Tax paid	
iii)	Name of Banks in which the amount was deposited	
iv)	PAN No. of the depositor	

FORMAT – 27 - A**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Non Tariff Income**

(on existing rates)

(Rs. in crores)

S.N.	Source of loan	Previous year (Actuals)	Current year (RE)	Ensuing year (s) (Projections)
1	2	3	4	5
1	Meter / Service rent			
2	Delayed payment surcharge			
3	Amount assessed in cases of UUE/Theft			
4	Misc. receipts			
5	Misc. charges			
6	Wheeling charges			
7	Interest on staff loans & advance			
8	Income from trading			
9	Income from welfare activities			
10	Excess on verification			
11	Interest on investments & bank balances			
12	Total Income			
13	Add Prior period income *			
14	Total Non tariff income			

* Year wise details of prior period income may be provided

FORMAT - 27 - B**Tariff Petition for Financial Year** _____**Name of the Distribution Licensee :** _____**Non Tariff Income**

(on proposed tariff)

(Rs. in crores)

S.N.	Source of loan	Current year (RE)	Ensuing year (s) (Projections)
1	2	4	5
1	Meter / Service rent		
2	Delayed payment surcharge		
3	Amount assessed in cases of unauthorised use of energy		
4	Misc. receipts		
5	Misc. charges		
6	Wheeling charges		
7	Interest on staff loans & advance		
8	Income from trading		
9	Income from welfare activities		
10	Excess on verification		
11	Interest on investments & bank balances		
12	Total Income		
13	Add Prior period income *		
14	Total Non tariff income		

* Year wise details of prior period income may be provided

FORMAT - 28**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Information Regarding Revenue from Other Business****(Rs. in lakhs)**

S.N	Particulars	Amount
1	2	3
1	Total Revenue from other business	
2	Income from other business to be considered for licensed business as per regulations	

Note: To be supplied for previous year, current year and ensuing year for which licence for other business was operating

FORMAT - 29**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Aggregate Revenue Requirement (ARR)****(Rs. Crore)**

Sl.No.	Particulars	Previous Year	Current Year	Ensuing Years
1.	Power purchase cost			
2.	PGCIL & other transmission charges			
3.	State Transmission charges			
4.	O&M Expenses			
i)	Employee Cost			
ii)	R&M expenses			
iii)	A&G expenses			
5.	Share of Holding Company expenses			
6.	Depreciation			
7.	Interest and Finance charges			
8.	Interest on working capital			
9.	Return on equity			
10.	Income Tax			
11.	Interest on security deposit			
12.	Bad debts (if any)			
13.	Contingency reserves (if any)			
14.	Total Revenue Requirement			
15.	Less: Non-tariff income			
16.	Aggregate Revenue Requirement			

FORMAT – 30-A**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Revenue from Existing Tariff**

S.N	Particulars	Previous yr. (Actuals) Rs. Cr.	Current yr. (RE) Rs. Cr.	Ensuing yr. (Projections)			% Realisation
				Unit sold (MU)	Avg. Tariff Rate (Rs. kWh)	Amount (Rs. Cr.)	
1	2	3	4	5	6	7	8
1	Domestic						
a)	(i) 'Kutir Jyothi' Scheme Metered (ii) Unmetered						
b)	Domestic Service I (DS I) (i) Metered (ii) Unmetered						
c)	Domestic Service II (DS II) Metered						
d)	Domestic Service III (DS III) Metered						
	Sub - Total						
2	Non Domestic Services (NDS) NDS-I : Unmetered NDS-I : Metered NDS-II : Metered NDS-III : Metered						
	Sub - Total						
3	Irrigation and Agricultural Service (IAS)						
a)	IAS - I : Metered IAS - I : Unmetered -						
b)	IAS - II : Metered IAS - II : Unmetered -						
	Sub - Total						
4.	Low Tension Industrial Service (LTIS) LTIS-I : Metered LTIS-II : Metered						
5.	Public Water Works Metered						
6.	Street light Service SS-I : Metered SS- II : Unmetered						
	Sub - Total						
7.	High Tension						
7.1	11 kV High Tension Service (HTS I)						
7.2	33 kV High Tension Service (HTS II)						
7.3	132 kV and above High Tension Service (EHTI)						
7.4	High Tension specified service (HTSS)						
	Sub - Total						
8.	Railway Traction Service (RTS)						
8.1	RTS 132 KV						
8.2	RTS 25 KV						
	Sub - Total						
9	Sales to Other Distribution Licensees						
10	Outside State, (including UI) if any *						
11	Discoms own use						
12	Add MMC and Other Charges						
	Grand Total						

- Note:** (1) Month-wise agriculture assessment data as per sample meters may also be supplied for different years
 (2) The information shall be given as specified by the Commission to determine the tariff.
 (3) Category of consumers in column 2 should be as per tariff structure proposed in the tariff petition.
 * State-wise details to be provided.

FORMAT – 30-B**Tariff Petition for Financial Year _____****Name of the Distribution Licensee :****Revenue from Proposed Tariff**

Ensuing year (Projections)

S.N	Particulars	Unit Sold (MU)	Average Tariff Rate (Rs./kWh)	Amount (Rs. Cr.)	% Realisation
1	2	3	4	5	
1	Domestic				
a)	(i) 'Kutir Jyothi' Scheme Metered (ii) Unmetered				
b)	Domestic Service I (DS I) (i) Metered (ii) Unmetered				
c)	Domestic Service II (DS II) Metered				
d)	Domestic Service III (DS III) Metered				
	Sub - Total				
2	Non Domestic Services (NDS) NDS-I : Unmetered NDS-I Metered NDS-II : Metered NDS-III : Metered				
	Sub - Total				
3	Irrigation and Agricultural Service (IAS)				
a)	IAS - I : Metered IAS - I : Unmetered -				
b)	IAS - II : Metered IAS - II : Unmetered -				
	Sub - Total				
4.	Low Tension Industrial Service (LTIS) LTIS-I : Metered LTIS-II : Metered				
5.	Public Water Works Metered				
6.	Street light Service SS-I : Metered SS- II : Unmetered				
	Sub - Total				
7.	High Tension				
7.1	11 kV High Tension Service (HTS I)				
7.2	33 kV High Tension Service (HTS II)				
7.3	132 kV and above High Tension Service (EHTI)				
7.4	High Tension specified service (HTSS)				
	Sub - Total				
8.	Railway Traction Service (RTS)				
8.1	RTS 132 KV				
8.2	RTS 25 KV				
	Sub - Total				
9	Sales to Other Distribution Licensees				
10	Outside State, (including UI) if any *				
11	Discoms own use				

12	Add MMC and Other Charges				
	Grand Total				

Note: (1) Month-wise agriculture assessment data as per sample meters may also be supplied for different years
 (2) The information shall be given as specified by the Commission to determine the tariff.
 (3) Category of consumers in column 2 should be as per tariff structure proposed in the tariff petition.
 * State-wise details to be provided.

FORMAT - 31**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Revenue Gap (Ensuing Year)****(A) At Existing Tariff for Ensuing Year (FY)**

(Rs. Crore)

Sl.No.	Particulars	Amount
1.	Aggregate Revenue Requirement (ARR)	
2.	Less : Non Tariff Income	
3.	Add : Recovery of revenue gap / (Surplus) of past period, if any	
4.	Net ARR	
5.	Less : Power Purchase Cost disallowed, if any	
6.	Less : Revenue from Existing Tariff	
7.	Less : Revenue from sale of power to other Agency	
8.	Gap (4-5-6)	
9.	Total grant from State Govt.	
10.	Grant used for compensating disallowed power	
11.	Balance resource grant assistance from Stat Govt. (9-10)	
12.	Net Gap/(Surplus) at existing tariff (8-11)	
13.		

(B) At Proposed Tariff for Ensuing Year (FY)

(Rs. Crore)

Sl.No.	Particulars	Amount
1.	Aggregate Revenue Requirement (ARR)	
2.	Less : Non Tariff Income	
3.	Add : Recovery of revenue gap / (Surplus) of past period, if any	
4.	Net ARR	
5.	Less : Power Purchase Cost disallowed, if any	
6.	Less : Revenue from Existing Tariff	
7.	Less : Revenue from sale of power to other Agency	
8.	Gap (4-5-6)	
9.	Total grant from State Govt.	
10.	Grant used for compensating disallowed power	
11.	Balance resource grant assistance from Stat Govt. (9-10)	
12.	Net Gap/(Surplus) at existing tariff (8-11)	
13.		

FORMAT – 32**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Information Regarding Grant/Subsidy from State Govt/Central Govt.**

				(Rs. Crore)
S.N	Particulars	Previous Year	Current Year	Ensuing Years
1	2	3	4	5
A	Amount from State Govt.			
	i) Purpose for which grant received			
	(a)			
	(b)			
	(c)			
	(d)			
	ii) Targeted categories for subsidy			
	(a)			
	(b)			
	(c)			
	(d)			
B	Amount from Central Govt.			
	i) Purpose for which grant received			
	(a)			
	(b)			
	(c)			
	(d)			

Note : The details of commitment of the government and the guidelines for utilisation of the amount received as grant or subsidy is to be supported by documentary evidence with separate explanation in the tariff petition.

FORMAT – 33**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____**

(for ensuing financial year FY.....)

(A) Voltage-wise Technical Loss and Energy Sale

SI. No.	Voltage Level (KV)	Technical Losses (%)	Cumulative Loss (%)	Energy Sale (MU)	Energy input (MU)	Technical Loss (MU)
1	2	3	4	5	6	7=(6-5)
1	220					
2	132					
3	33					
4	11					
5	0.4					
Total						

(B) Voltage-wise Commercial Loss

SI. No.	Voltage Level KV	Energy Sale (MU)	Technical Loss (MU)	Sales + Tech Loss (MU)	Commercial Loss (MU)	Energy Sales + Tech. Loss + Commercial Loss (energy input at state periphery) (MU)
1	2					
1	220					
2	132					
3	33					
4	11					
5	0.4					
Total						

(C) Voltage-wise Allocation of Power Purchase Cost

SI. No.	Voltage Level KV	Energy Sale (MU)	Energy Sales + Technical loss + Comm. loss (MU)	Unit cost of power purchase approved by the Commission (Rs./unit)	Power Purchase Cost (Rs. Crore)	Cost of Power per unit sale of Energy (Rs./unit)
1	2	3	4	5	6 = (4*5)	7= (6÷3)
1	220					
2	132					
3	33					
4	11					
5	0.4					
Total						

(D) Total Network Cost

SI. No.	Particulars	Amount (Rs. Cr)
1	Employee Cost	
2	R&M costs	
3	A&G expenses	
4	Holding Company	
5	Depreciation	
6	Interest & Finance Charges	
7	Interest on Working Capital	
8	RPO fund	
9	Return on Equity	
10	Less: IDC	
11	Total (1 to 7)	
12	Transmission cost	
13	Total cost	
14	Energy Sales (MU)	
15	Network Cost per unit sale of energy (Distribution + Transmission) (Rs./kWh)	

(E) Voltage-wise Allocation of Network Cost

Sl.No.	Voltage Level	Energy Sale (MU)	Network Cost (Rs./Unit)	Total Network Cost (Rs. Cr)
1	220			
2	132			
3	33			
4	11			
5	0.4			
Total				

(F) Voltage-wise Cost of Supply

Sl.No.	Supply Voltage	Cost of power purchase (Rs./unit)	Network cost (Rs./unit)	Cost of supply (Rs./unit)
1	2	3	4	5
1	220/132			
2	33			
3	11			
4	LT			

Note : The detailed work-out of energy sales, technical losses, commercial losses and network cost at different voltage levels should be submitted separately with the tariff petitions.

FORMAT – 34(1/2)**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Tariff Structure and Rate**

Sl No.	Category & Consumption	Rates on Existing Tariff			Rates on Proposed Tariff		
		FC Rs./kVA	EC ps./Unit	MMC Unit	FC Rs./kVA	EC ps./Unit	MMC Unit
A	Low Tension Supply						
1.0	Domestic						
1.1	Kutir Jyoti						
	K.J. Rural (Unmetered)						
	K.J. Rural (Metered)						
	K.J. Urban (Metered)						
1.2	DS-I (Rural)- I-ph 2kW						
	Unmetered						
	Metered -						
	First 50 Units						
	51 - 100 Units						
	Above 100 Units						
1.3	DS - II (Metered)						
	Single Phase - Upto 7 kW						
	Three Phase - 5kW and above						
	1-100 U/Month						
	101 - 200 U/Month						
	201 -300 U/Month						
	above 300 U/Month						
1.4	DS-III Metered for multi storey						
2.0	Non Domestic						
2.1	NDS – I – for Rural						
	Unmetered						
	Metered						
	1-100 U/Month						
	101 - 200 U/Month						
	above 200 U/Month						
2.2	NDS - II (Metered)						
	1 - 7kW - Single Phase						
	5kW and above -Three Phase						
	1-100U/m						
	101-200 U/m						
	above 200 U/m						

Sl No.	Category & Consumption	Rates on Existing Tariff			Rates on Proposed Tariff		
		FC Rs./kVA	EC ps./Unit	MMC Unit	FC Rs./kVA	EC ps./Unit	MMC Unit
2.3	NDS-III - Places of Worships						
	1-100U/M						
	101-200U/M						
	Above 200U/M						
3.0	Irrigation & Agriculture						
3.1	(i) Pvt. Agriculture - IAS - I						
	(a) Unmetered Supply per HP per month						
	(b) Metered Supply Units Rate - Paise / U						
3.2	(ii) State Tubewell IAS - II						
	(a) Unmetered Supply per HP per month						
	(b) Metered Supply Units Rate - Paise / U						
4.0	Low Tension Industrial						
4.1	(i) LTIS - I						
4.2	(ii) LTIS - II						
5.0	Pubic Water Works						
6.0	Street Light Services						
6.1	SS-I Metered Supply units rate						
6.2	SS-II Unmetered Fixed Charges						
	Light Point Wattage per 100W per month (Rs.)						

FORMAT-34 (2/2)

B	High Tension Supply						
7.1	(i) HTS - I (11 / 6.6 kV)						
7.2	(i) HTS - II (33kV)						
7.3	HTS - III (132kV)						
7.4	HTSS- (33kV/ 11kV)						
8.0	Railways						
	(i) RTS - I (132kV)						
	(ii) RTS - II (25kV)						

FC - Fixed Charge

EC - Energy Charge

FORMAT – 35**Tariff Petition for Financial Year _____****Name of the Distribution Licensee : _____****Computation of Cross Subsidy**

Sl.	Category of consumers	At existing tariff rate			At proposed tariff rate		
		Avg. Tariff rate (Rs./kWh)	Avg. Cost of Supply (Rs./kWh)	% of average cost	Avg. Tariff rate (Rs./kWh)	Avg. Cost of Service (Rs./kWh)	% of average cost
1	Kutir Jyoti						
2	DS-I						
3	DS-II						
4	DS-III						
5	NDS - I						
6	NDS-II						
7	NDS - III						
8	Irrigation IAS – I						
9	Irrigation IAS – II						
10	L.T.I.S.-I						
11	L.T.I.S.-II						
12	Public Water work						
13	Street light-I (Metered)						
14	Street light-II (Unmetered)						
15	H.T.S.-I						
16	H.T.S.-II						
17	H.T.S.-III						
18	H.T.S.S.						
19	R.T.S.						

Tariff Petition for Financial Year _____

Name of the Distribution Licensee : _____

Wheeling & Open Access Charges

Sl. No.	Particulars	Total Fixed Cost	33kV Wire cost		11kV	
			Wire business	Retail supply business	Wire business	Retail supply business
1	Employee cost					
2	R&M Cost					
3	A&G expenses					
4	Depreciation					
5	Interest and finance charges					
6	Interest on working capital					
7	Return on equity					
8	Less: Non-tariff income					
9	Total Cost (Rs. Cr.)					
10	Energy input (MU)					
11	Wheeling charges (sl. no. 9/10)					
12	Cross Subsidy surcharge category of consumers (i) HTS-I (ii) HTS-II (iii) HTSS					
13	Reactive energy charge					
14	SLDC charges					
15	Additional surcharge, if any					

Note : The detailed work-out of costs towards wire business and retail supply business, wheeling charges, cross subsidy surcharge for each category of consumers, reactive energy charges, SLDC charges and additional surcharge should be submitted separately with the tariff petition.

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